

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3562-01
Bill No.: SB 622
Subject: Agriculture and Animals; Agriculture Dept.; Revenue Dept.
Type: Original
Date: March 17, 2010

Bill Summary: Increases pesticide registration fees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$827,600	\$1,704,856	\$1,756,002
Total Estimated Net Effect on General Revenue Fund	\$827,600	\$1,704,856	\$1,756,002

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Pesticide Fee Fund	\$2,028,571	\$1,202,978	\$1,156,098
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,028,571	\$1,202,978	\$1,156,098

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and **Department of Natural Resources** assume no fiscal impact to their agency.

Officials from the **Department of Agriculture (AGR)** assume increased fee revenues will allow the department to replace all of the General Revenue funding currently required to operate pesticide related programs, including Pesticide Control, Plant Pest Control, and Integrated Pest Management. The current GR cost of these programs is \$1,691,603. Increased revenues under this legislation would total \$2,764,680, which leaves a \$1,073,077 surplus that could be used to improve pesticide services.

It is anticipated that we would receive 11,000 label registration applications at \$150 each. This would generate \$1,650,000 in revenue, in addition to the late fee increase which is estimated to generate \$5,200 (104 * \$50). An additional \$1,275,000 revenue would be generated from the one-fifth of 1% assessment on a product's annual gross sales in Missouri. Total revenue is estimated to equal \$2,930,200. The current amount of \$15 for registration fee and \$5 for the late fee would still be deposited in general revenue (i.e. \$165,520 into GR), leaving \$2,764,680 to be deposited into the fee fund to cover all pesticide related program expenses.

Since pesticide registration fees are not due until December 31 of each year, this analysis assumes GR would be needed to pay all program costs for the first half of Fiscal Year 2011.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Savings - Department of Agriculture</u>			
Salaries	\$480,822	\$990,493	\$1,020,208
Fringe Benefits	\$288,493	\$594,296	\$612,125
Equipment & Expense	<u>\$58,285</u>	<u>\$120,067</u>	<u>\$123,669</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$827,600</u>	<u>\$1,704,856</u>	<u>\$1,756,002</u>

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
PESTICIDE FEE FUND			
<u>Revenue - Department of Agriculture</u>			
Pesticide Fee	<u>\$2,764,680</u>	<u>\$3,764,680</u>	<u>\$3,764,680</u>
<u>Cost - Department of Agriculture</u>			
Salaries	(\$459,966)	(\$947,530)	(\$975,956)
Fringe Benefits	(\$241,206)	(\$496,885)	(\$511,791)
Equipment & Expense	<u>(\$34,937)</u>	<u>(\$117,287)</u>	<u>(\$120,835)</u>
Subtotal	<u>(\$736,109)</u>	<u>(\$1,561,702)</u>	<u>(\$1,608,582)</u>
ESTIMATED NET EFFECT ON PESTICIDE FEE FUND	<u>\$2,028,571</u>	<u>\$1,202,978</u>	<u>\$1,156,098</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Under current law, the fee for registering a pesticide in Missouri is \$15 per year. This act increases the fee to \$150 plus one-fifth of 1% of the product's annual gross sales in Missouri up to a maximum total fee of \$1,500 per product.

DESCRIPTION (continued)

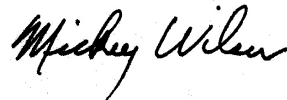
Under current law, there is a late charge of \$5 assessed for any pesticide not registered by January 1st. This act increases the late charge to \$50.

The act creates the Pesticide Fee Fund into which all but \$15 of the pesticide registration fee will be deposited, and all but \$5 of any late fees will be deposited. The \$15 and \$5 portions will continue to be deposited in the general revenue fund as under current law. Funds placed into the Pesticide Fee Fund shall be used for program administration by the Department of Agriculture.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Natural Resources
Department of Agriculture

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
March 17, 2010